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**SACRAMENTO MAN SENTENCED TO OVER 5 YEARS IN PRISON  
FOR \$9 MILLION INVESTMENT FRAUD SCHEME**

SACRAMENTO--United States Attorney John K. Vincent announced today that HARRY L. WIECK, 54, of Sacramento, was sentenced today by United States District Court Judge David F. Levi to 63 months in prison in connection with a multi-state investment fraud scheme that netted over \$9 million from the investor victims. He will also serve a three year term of supervised release following his prison term, and will be ordered to pay restitution to victims in an amount to be determined following a hearing scheduled for August 30, 2001, before Judge Levi.

WIECK was convicted following a six day jury trial last year of conspiracy to commit securities fraud, two counts of wire fraud, and six counts of money laundering. WIECK, who was the final defendant to be sentenced in the case, operated a business in Sacramento known as Western States Trust, that sold trusts ostensibly for estate planning purposes. Evidence filed with the Court in the course of sentencing proceedings indicated that WIECK's trust business had also been the subject of a separate investigation by the IRS. In an unrelated case, WIECK was previously convicted of embezzlement in 1996 in Placer County.

Two other defendants in the case, SID TWEADY, 53, of Naples, Florida, and JOHN A.

LOCHER, 33, of Tulsa, Oklahoma, pleaded guilty to felonies prior to trial and have been sentenced. On April 13, 2000, TWEADY was sentenced to 45 months in prison, to be followed by a three year term of supervised release, and was ordered to pay \$5.9 million in restitution to victims. He is currently serving his sentence. LOCHER was sentenced to five years of probation, with conditions which included eight months in a halfway house, and a \$5,000 fine.

According to Assistant U.S. Attorney Benjamin B. Wagner, who prosecuted the case, the evidence introduced at trial showed that WIECK and others solicited investments for high yield investment programs that supposedly generated large profits. Victim investors testified at the trial that WIECK and his co-conspirators promised returns ranging from 48% to 360% per year, and told the investors that the profits were generated through a "fractional banking program" or through trading in foreign currencies. WIECK and others also assured the victims that their investment would be secured by Treasury notes, or kept in a "blocked funds" account at a major bank. Expert witnesses called by the Government testified that no such programs existed, and an analysis of bank records showed that in fact the investment program was a "Ponzi" scheme, in which some of the investors' principal was returned to them as "profits," while other funds were skimmed for the personal use of the conspirators. Evidence introduced at trial showed that some investor money was used by WIECK for his own business, Western States Trust, while other money was diverted to purchase a large house in Florida for SID TWEADY. In addition to soliciting investors, WIECK established numerous trusts that were used in the fraud scheme, and managed the key bank account.

U.S. Attorney Vincent said: "Investors should be wary of exotic sounding investments that are represented to be highly profitable and completely safe. There has been a proliferation in recent years of get-rich-quick schemes involving fraudulent representations. The sentence in this case, however, should send a message to those who peddle such programs that they can

anticipate scrutiny by law enforcement, and that fraudsters should plan on spending substantial time behind bars.”

As a result of the fraud scheme, investors from around the country suffered a total net loss of over \$5.7 million. To date, approximately \$2.9 million in cash and assets have been recovered by the Government, liquidated, and paid to victim investors as restitution.

The case was investigated by the Federal Bureau of Investigation.

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